



COUNTY OF SAN DIEGO

AGENDA ITEM

DRAFT

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: June 19, 2018

XX

TO: Board of Supervisors

SUBJECT: ALLOCATE UP TO \$10 MILLION TO THE SPECIAL NEEDS HOUSING PROGRAM FOR PERMANENT SUPPORTIVE HOUSING (DISTRICTS: ALL)

OVERVIEW

The Mental Health Services Act (MHSA) provides funding for counties to address a broad continuum of prevention, early intervention and service needs, and the necessary infrastructure, technology and training elements to effectively support the public mental health system. The MHSA consists of five program components:

- Community Services and Supports
- Prevention and Early Intervention
- Workforce Education and Training
- Innovation
- Capital Facilities and Technological Needs

Funding from the MHSA Community Services and Supports (CSS) component may be used to provide housing for children with severe emotional disturbance (SED) and their families, transition age youth, adults and older adults with serious mental illness (SMI) who are homeless or at risk of homelessness, and receive MHSA services. MHSA housing transforms the mental health system by providing consumers housing and support services to enable them to live more independently. The housing program establishes partnerships at the local level, resulting in housing development that reflects local priorities while expanding safe, affordable housing options for individuals with SMI or SED and their families. The funds are utilized for capital loans for the development, acquisition, construction and/or rehabilitation of permanent supportive housing. Funding may also be used to provide operating subsidies.

The California Housing Finance Agency (CalHFA) operates the Local Government Special Needs Housing Program (SNHP) on behalf of jurisdictions throughout California. As required by the SNHP, counties are required to receive Board authorization for the assignment of new funds to CalHFA for the SNHP.

Today's recommended action requests the Board of Supervisors approve the transfer of up to an additional \$10 million to CalHFA for the SNHP to develop permanent supportive housing units.

SUBJECT: ALLOCATE UP TO \$10 MILLION TO THE SPECIAL NEEDS HOUSING PROGRAM FOR PERMANENT SUPPORTIVE HOUSING (DISTRICTS: ALL)

Today's action supports the *Live Well San Diego* vision of a safe and thriving community and is aligned with the County's Project One for All initiative as well as the Health and Human Services Agency's Ten Year Roadmap for Behavioral Health Services, by providing housing and support services to vulnerable individuals who are homeless or at risk of homelessness and experiencing mental illness.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Approve the transfer of up to \$10 million for the Local Government Special Needs Housing Program (SNHP) to the California Housing Finance Agency (CalHFA) and authorize the Director, Health and Human Services Agency to enter into participation and assignment agreements with the CalHFA for the SNHP, to expand permanent supportive housing in San Diego County.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2017-19 Operational Plan in the Health and Human Services Agency. If approved, this request will result in cost and revenue of up to \$10 million in Fiscal Year 2017-18. The funding source is Mental Health Services Act (MHSA). There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

At the regularly scheduled meeting on June 7, 2018, the Behavioral Health Advisory Board voted to [REDACTED].

BACKGROUND

The Mental Health Services Act (MHSA) was approved by California voters in November 2004 and became effective January 1, 2005. The MHSA provides funding for counties to address a broad continuum of prevention, early intervention and service needs, and the necessary infrastructure, technology and training elements to effectively support the public mental health system. The MHSA consists of five program components:

- Community Services and Supports
- Prevention and Early Intervention
- Workforce Education and Training
- Innovation
- Capital Facilities and Technological Needs

Funding from the MHSA Community Services and Supports (CSS) component may be used to provide housing for children with severe emotional disturbance (SED), and their families, transition age youth, adults and older adults with serious mental illness (SMI) who are homeless or at risk of homelessness, and receive MHSA services. MHSA housing transforms the mental

SUBJECT: ALLOCATE UP TO \$10 MILLION TO THE SPECIAL NEEDS HOUSING PROGRAM FOR PERMANENT SUPPORTIVE HOUSING (DISTRICTS: ALL)

health system by providing consumers housing and support services to enable them to live more independently.

The MHSA Housing Program was established in 2007 through Executive Order S-07-06 and was jointly administered by the Department of Health Care Services (DHCS) and the California Housing Finance Agency (CalHFA). The program served as the State-administered MHSA Housing Program to counties throughout California. On March 25, 2008 (6), the Board assigned over \$33 million to support the MHSA Housing Program.

On September 29, 2015 (6), the Board approved an additional allocation of up to \$10 million for permanent supportive housing units to serve homeless individuals experiencing mental illness. The MHSA Housing Program expired in May 2016 and CalHFA began operating a Local Government Special Needs Housing Program (SNHP) as an option for governments to continue utilizing MHSA funds for housing purposes. Counties are required to enter into SNHP participation agreements with CalHFA allowing the transfer of funds to the SNHP to administer loans to developers for their affordable, permanent supportive housing projects. The SNHP requires counties receive Board authorization for the assignment of these new funds.

Since implementation of the MHSA housing program, the Health and Human Services Agency Behavioral Health Services (BHS) has allocated over \$43 million of MHSA funds to CalHFA. The following table provides a summary of housing units in place or planned as a result of this funding:

Summary of Permanent Supportive Housing Units Funded to Date	
<i>Status of Units</i>	<i># of Units</i>
Operational	249
Soon To Be Operational	25
Planned	38
TOTALS	312

In addition to the units listed above, it is estimated that the \$1.8 million in unencumbered funds, remaining from the \$10 million allocated to the SNHP in 2015, will fund approximately 11 more units, based on per-unit maximum funding amounts. Taking into account administrative fees paid to CalHFA, it is estimated that an additional transfer of \$10 million to the SNHP (that is the subject of today's Board Letter) will fund approximately 60 additional permanent supportive housing units.

The funds will be reflected in the Fiscal Year (FY) 2018-19 MHSA Annual Update of the MHSA Three-Year Program and Expenditure Plan for FYs 2017-18 through 2019-20, which will be presented to the Board in FY 2018-19 following the 30-day public comment period.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

SUBJECT: ALLOCATE UP TO \$10 MILLION TO THE SPECIAL NEEDS HOUSING PROGRAM FOR PERMANENT SUPPORTIVE HOUSING (DISTRICTS: ALL)

Today's proposed actions support the Building Better Health and Living Safely Initiatives in the County of San Diego's 2018-2023 Strategic Plan as well as the County's *Live Well San Diego* vision and Project One for All initiative, by ensuring vulnerable individuals who are homeless or at risk of homelessness, and experiencing mental illness have access to housing.

Respectfully submitted,

USE "INSERT PICTURE"
FUNCTION TO INSERT
SIGNATURE

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Special Needs Housing Program - Fund Assignment Agreement

SUBJECT: ALLOCATE UP TO \$10 MILLION TO THE SPECIAL NEEDS HOUSING PROGRAM FOR PERMANENT SUPPORTIVE HOUSING (DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

July 19, 2016 (7), Mental Health Services Act Fiscal Year 2016-17 Annual Update, Special Needs Housing Program and Ten-Year Roadmap; September 29, 2015 (6), Authorized Submission of the MHSA Fiscal Year 2015-16 Annual Update and Special Needs Loan Program; March 25, 2008 (6), Authorized \$33,083,900 to a State-administered MHSA Housing Program.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Health and Human Services Agency

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

Alfredo Aguirre

Name

619-563-2700

Phone

Alfredo.Aguirre@sdcounty.ca.gov

E-mail

Holly Salazar

Name

619-584-3001

Phone

Holly.Salazar@sdcounty.ca.gov

E-mail